



Tax Newsletter

**Update of the List of
States and Territories
with a Preferential Tax
Regime Tax**

Tax circular # 7.2 - September 2026

Definition of "Tax Havens" or States with a Preferential Tax Regime.

Tax havens are countries or territories that are characterized by:

- ✓ Tax incentives including low tax rates or the absence of taxation.
- ✓ Absence of transparency in legislative or administrative provisions, often reinforced by strict banking secrecy rules and measures that protect the identity of individuals benefiting from such advantages.

The OECD requires four key criteria for classifying a country or territory as a tax haven, namely:

1. Absence of taxes or insignificant taxes
2. Lack of transparency
3. Legislation that prevents the exchange of information with foreign tax authorities.
4. And a tolerance for shell companies that can carry out fictitious activities.

Within the framework of aligning Tunisian tax legislation with international standards on combating tax evasion and profit shifting to jurisdictions with preferential tax regimes, **Article 35 of Law No. 2018-56 of December 27, 2018, enacting the Finance Act for Fiscal Year 2019:**

- ❖ Provided for **the abolition of the term "tax havens"** and replaced it with the concept of **"State or territory with a preferential tax regime."**
- ❖ Classified any entity to be resident or established in a State or territory with a preferential tax **regime if the tax payable in that jurisdiction is less than 50% of the income tax or corporate income tax due in Tunisia for the same activity.**
- ❖ Provided that **the list of the countries** concerned shall be determined by **ministerial decree.**

Definition of “Tax Havens” or States with a Preferential Tax Regime.

In light of the changes introduced by the Tunisian tax legislator to the applicable corporate income tax rates, several ministerial decree have been issued successively, each establishing the list of States and territories with a preferential tax regime that meet the statutory requirements in accordance with the prevailing corporate income tax rates.

The decree of the Minister of Finance dated June 5, 2026, modified the decree of March 25, 2019, by updating the comparison thresholds to align them with the new corporate income tax rates in Tunisia.

Henceforth, a State is considered to have a preferential tax regime when its tax rate is below the following thresholds:

Corporate Tax Rate in Tunisia	Applicable Threshold for Foreign Country
10%	5%
20%	10%
35%	17,5%
40%	20%

Tax Consequences for Tunisian Companies

In case a Tunisian company carries out transactions with an entity located in one of the States or territories on this list, several restrictive tax rules would apply.

A/ Direct Taxes

- 1. Expenses** relating to amounts paid for the acquisition of goods and services required for business operations, to persons resident or established in countries or territories with a preferential tax regime, **are non-deductible for the determination of taxable income.**
- 2. Depreciation of assets** required for business operations and acquired from persons resident or established in States or territories with a preferential tax regime **is not deductible for the purpose of determining taxable profits.**
- 3. Remuneration and income** paid to persons resident or established in such States or territories **are subject to withholding tax at a rate of 25%.**

The bearing of the tax liability by the payer, or the non-withholding tax for any reason whatsoever (instead of the supplier), shall result in the application of the a withholding tax on a grossed-up basis, corresponding to an effective rate of 33.33% instead of 25%, together with any applicable late payment penalties calculated in accordance with the prevailing tax legislation.

Tax Consequences for Tunisian Companies

Interaction with the Provisions of Double Taxation Treaties

The list established by the decree of the Minister of Finance dated June 5, 2026 includes territories and jurisdictions with a preferential tax regime that belong to countries having concluded a double taxation treaty (DTT) with Tunisia, residents of these territories or jurisdictions may benefit from the provisions of said treaties if they contain more favorable provisions than those under current Tunisian tax legislation—both regarding withholding tax rates and deductible expenses for Tunisian companies.

B/VAT

VAT incurred on amounts paid in consideration for the acquisition of goods and services required for business operations from persons resident or established in States or territories with a preferential tax regime shall not give rise to a right to input tax deduction.

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List of States and Territories with a Preferential Tax Regime

States and territories where the tax rate is less than 5% for activities subject to tax in Tunisia at the 10% rate	States and territories where the tax rate is less than 10% for activities subject to tax in Tunisia at the 20% rate	States and territories where the tax rate is less than 17.5% for activities subject to tax in Tunisia at the 35% rate	States and territories where the tax rate is less than 20% for activities subject to tax in Tunisia at the 40% rate
-	Albania for 4- and 5-star hotels with an international commercial brand, the automotive industry, and agritourism	Albania	Albania
-	-	Andorra	Andorra
Anguilla	Anguilla	Anguilla	Anguilla
-	-	Antigua and Barbuda for telecommunications and oil and gas companies	Antigua and Barbuda for insurance companies
Argentina for companies located in the "Tierra del Fuego" zone	Argentina for companies located in the "Tierra del Fuego" zone	Argentina for companies located in the "Tierra del Fuego" zone	Argentina for companies located in the "Tierra del Fuego" zone
Armenia for companies located in free trade zones	Armenia for companies located in free trade zones	Armenia for companies located in free trade zones	Armenia
Aruba for companies located in free trade zones and in the zones of Oranjestad and San Nicolas	Aruba for companies located in free trade zones and in the zones of Oranjestad and San Nicolas	Aruba for oil refining companies and companies located in free trade zones and in the zones of Oranjestad and San Nicolas	—
Bahamas	Bahamas	Bahamas	Bahamas
Bahrain	Bahrain	Bahrain, with the exception of oil and gas companies	Bahrain
—	Barbados	Barbados	Barbados

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Bermuda	Bermuda	Bermuda	Bermuda
-	-	-	Brunei Darussalam
Belize	Belize	Belize except for oil & gas companies	Belize
-	Belarus for companies established in technology parks	-	-
-	-	Bosnia and Herzegovina	Bosnia and Herzegovina
-	-	-	Botswana for companies in international financial services centres
-	-	Bulgaria	Bulgaria
-	-	Cyprus	Cyprus
-	-	-	Croatia
-	Curaçao for companies carrying out aircraft and vessel manufacturing, maintenance, and repair activities, as well as installation and equipment related thereto, and warehousing and logistics services companies	-	-

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Dominican Republic for companies established in free zones and border zones	Dominican Republic for companies established in free zones and border zones	Dominican Republic for companies established in free zones and border zones	Dominican Republic for companies established in free zones and b zones
Estonia	Estonia	Estonia	Estonia
Eswatini for companies established in special economic zones	Eswatini for companies established in special economic zones	Eswatini for companies established in special economic zones	Eswatini for companies established in special economic zones
-	-	Fiji for non-resident companies whose registered office or regional headquarters is located in Fiji, and telecommunications network operators	Fiji for non-resident companies whose registered office or regional headquarters is located in Fiji
Georgia	Georgia	Georgia	Georgia
-	-	Gibraltar except for oil & gas companies and telecommunications network operators	Gibraltar
Guernsey	Guernsey except for insurance brokerage, real estate development, real estate leasing, retail trade, and quarrying companies	Guernsey except for telecommunications companies and oil & gas importing and distributing companies	Guernsey
-	-	Hong Kong	Hong Kong
Isle of Man	Isle of Man except for real estate companies	Isle of Man except for oil & gas companies	Isle of Man
Cayman Islands	Cayman Islands	Cayman Islands	Cayman Islands

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-	-	-	Faroe Islands
Marshall Islands	Marshall Islands	Marshall Islands	Marshall Islands
Turks and Caicos Islands	Turks and Caicos Islands	Turks and Caicos Islands	Turks and Caicos Islands
British Virgin Islands	British Virgin Islands	British Virgin Islands	British Virgin Islands
-	Iraq	Iraq except for oil & gas companies	Iraq
-	-	Ireland except for oil & gas companies	Ireland
Jersey	Jersey except for public utility companies, real estate development, and quarrying companies	Jersey except for public utility companies, telecommunications companies, and oil & gas importing and distributing companies	Jersey
-	-	Kyrgyzstan	Kyrgyzstan
Kazakhstan for companies established in special economic zones	Kazakhstan for companies established in special economic zones	Kazakhstan for companies established in special economic zones	Kazakhstan for companies established in special economic zones
-	-	Kosovo	Kosovo
-	-	Liechtenstein	Liechtenstein
Latvia	Latvia	Latvia	Latvia except for banks

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-	-	Lithuania	Lithuania except for banks
-	-	Macao	Macao
-	-	North Macedonia	North Macedonia
-	-	Madagascar for companies established in free zones	Madagascar for companies established in free zones
-	-	Maldives	Maldives except for banks
-	-	Moldova	Moldova
-	-	Montenegro	Montenegro
Nauru for companies in international business centres	Nauru for companies in international business centres	Nauru for companies in international business centres	Nauru for companies in international business centres
Niue for companies operating mainly with non-residents	Niue for companies operating mainly with non-residents	Niue for companies operating mainly with non-residents	Niue for companies operating mainly with non-residents
-	-	Uzbekistan except for telecommunications network operators and large retail stores	Uzbekistan except for banks
-	-	Palau	Palau
Panama for companies established in special economic zones	Panama for companies established in special economic zones	Panama for companies established in special economic zones	Panama for companies established in special economic zones
Paraguay for companies established in free zones	Paraguay for companies established in free zones	Paraguay	Paraguay

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-	Rwanda for international companies whose registered office or regional office is located in Rwanda, holding companies, and international trading companies	Rwanda for international companies whose registered office or regional office is located in Rwanda	Rwanda for international companies whose registered office or regional office is located in Rwanda
Saint Kitts and Nevis for companies operating mainly with non-residents	Saint Kitts and Nevis for companies operating mainly with non-residents	Saint Kitts and Nevis for companies operating mainly with non-residents	Saint Kitts and Nevis for companies operating mainly with non-residents
-	-	-	San Marino
El Salvador for companies established in free zones and companies in international service centers	El Salvador for companies established in free zones and companies in international service centers	El Salvador for companies established in free zones and companies in international service centers	El Salvador for companies established in free zones and companies in international service centers
Samoa for companies operating mainly with non-residents	Samoa for companies operating mainly with non-residents	Samoa for companies operating mainly with non-residents	Samoa for companies operating mainly with non-residents
-	East Timor with the exception of oil & gas companies	East Timor	East Timor
-	Turkmenistan with the exception of public companies (where government ownership exceeds 50%), subsidiaries of foreign companies, and oil & gas companies	Turkmenistan with the exception of public companies (where government ownership exceeds 50%) and subsidiaries of foreign companies	Turkmenistan with the exception of public companies (where government ownership exceeds 50%) and subsidiaries of foreign companies
-	-	Ukraine for insurance companies	Ukraine for insurance companies
Vanuatu	Vanuatu	Vanuatu	Vanuatu



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